

# Overview of Federal Tax Cuts to Create and Sustain "Green Energy" Initiatives

## BUSINESSES

- Advanced energy investment credits – up to 30% tax credit for investments in projects certified by the Secretary of the Treasury as advanced production, transmission, storage or conservative use of energy;
- Renewable electricity production credits – extends “placed-in-service” dates for wind production plants until Dec. 31, 2012, and for biomass, geothermal and other methodologies until Dec. 31, 2013; and
- Alternative fuel pump tax credit -- service stations can claim a 50% tax credit (capped at \$50,000) for installing alternative fuel pumps, such as E85, electricity and natural gas. Stations can also claim a 30% credit (capped at \$200,000) for installation of hydrogen refueling pumps; and
- Wind generation credit – businesses may claim an uncapped 30% tax credit for qualified small wind energy property investments.

## INDIVIDUALS

- Transit benefits – employers may provide employees with transit/parking benefits up to \$230 per month tax free effective for any month beginning on or after February 17, 2009;
- Residential energy property credits – homeowners may claim a 30% credit for qualified solar water heaters, a 30% credit for qualified small wind energy production and a 30% credit for qualified geothermal heat pumps; these credits are not capped;
- Residential energy-efficient improvements credit – homeowners can claim a 30% tax credit for the cost of qualified energy efficiency improvements in 2009 and 2010, subject to a \$1,500 credit per property; and
- Plug-in electric vehicles credit – taxpayers can claim \$2,500 or more for battery-driven cars purchased, until the manufacturer reports sales in excess of 200,000 cars per quarter.

*The descriptions on this page are merely summaries and should not be relied upon in calculating current tax liabilities or in estimating the future tax ramifications of possible courses of action. In every case, you should consult the text of the [American Recovery and Reinvestment Act](#) itself and, where necessary or advisable, consult a tax professional.*